

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 L-03 CIAE-00 COME-00 DODE-00

DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7192

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E. O. 11652: NA

TAGS: EWWT, RP

SUBJECT: SHIPPING DISCRIMINATION: PROPOSED AMENDMENTS TO PD 894

REF: MANILA 13059, 13279, 13415

1. ALFONSO VILLAYERDE, RECENTLY PROMOTED ASSISTANT EXECUTIVE SECRETARY OF THE PHILIPPINE SHIPPERS COUNCIL, HAS TOLD EMBOFF THAT PROPOSED AMENDMENTS TO PD 894 HAVE BEEN WORKED OUT BY THE INTERAGENCY COMMITTEE ON TRADE, TARIFFS, AND RELATED MATTERS AND ARE NOW BEFORE NEDA. THE PRINCIPAL AMENDMENT IS TO MAKE PD 894 APPLY ONLY TO THOSE COMPANIES WITH LOANS OR GUARANTEES WHOSE OUTSTANDING BALANCE IS AT A CERTAIN LEVEL, "SEVERAL MILLIONS OF PESOS." VILLAYERDE, WHO IS FAMILIAR WITH HISTORY OF PD 667 WHICH WAS RESCINDED UNDER THREAT OF USG COUNTERMEASURE, ASSURED EMBOFF THAT THE NUMBER OF COMPANIES AFFECTED IS SMALL AND USG CAN LIVE WITH SITUATION.

2. ON THE OTHER HAND, TOMAS SYQUIA OF DFA ECONOMIC AFFAIRS OFFICE HAS SAID THAT THE PROPOSED AMENDMENTS WOULD PROVIDE FOR THE INCLUSION OF EXPORTS AS FALLING WITHIN THE PURVIEW OF PD 894 AND WOULD TIGHTEN UP THE PENALTY PROVISIONS. ANOTHER REPORT, HOWEVER, INDICATES THAT THE PRO-

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POSED AMENDMENTS WOULD TAKE INTO ACCOUNT USG VIEWS PROVIDING FOR A DIRECT LINK BETWEEN THE BENEFIT AND THE SHIPMENT WHICH WOULD REQUIRE PHILIPPINE FLAG PREFERENCE.

3. FINALLY, LEANDRO MARIANO, THE PROJECT OFFICER FOR THE DEPARTMENT OF TRADE-SPONSORED PHILIPPINE SHIPPERS, INC., HAS REVEALED THAT SOME OFFICIALS IN THE PHILIPPINE

SHIPPERS COUNCIL WERE AGITATING FOR A LESS RESTRICTIVE PD 894. THE REASON IS THAT THEY WILL HAVE TO IMPLEMENT THE DECREE, AND AS IT IS CURRENTLY WRITTEN, IT WILL BE VERY DEIFFICULT TO ENFORCE OR ADMINISTER..

4. IN THE MEANTIME, MARIANO IS PROCEEDING WITH THE INCORPORATION OF PHILIPPINE SHIPPERS, INC.(SEE MANILA 6205), WHICH WILL INCLUDE SEVEN INDUSTRY ORGANIZATIONS (LUMBER AND PLYWOOD, HANDICRAFT EXPORTERS, ETC.). HE CLAIMED TO HAVE SECURED THE BACKING OF GULF EAST OF LONDON. NO PRIVATE PHILIPPINE FIRM IS WILLING TO ASSOCIATE WITH PSI, HOWEVER.

5. COMMENT: WE HAVE SUCCEDED IN HAVING THE GOP HESITATE IN PUTTING INTO COMPLETE EFFECT THE DISCRIMINATORY PROVISIONS OF PD 894. OF COURSE, IT HAS BEEN INHIBITED BY THE LACK OF PHILIPPINE BOTTOMS. AS LONG AS THE GOP CONTINUES THIS CURRENT STANCEE,WE WILL AVOID A CONFRONTATIONAL SITUATION AS HAPPENED ON PD 667. IN THE MEANTIME, WE WILL CONTINUE TO CULTIVATE GOP SHIPPING CONTACTS IN ORDER TO AVOID SUCH A CONFRONTATION.

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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TAGS: EWWT, RP
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